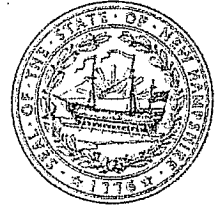




The State of New Hampshire
DEPARTMENT OF ENVIRONMENTAL SERVICES

Thomas S. Burack, Commissioner



Rep. D.L. Chris Christensen, Chairman

Oil Fund Disbursement Board

October 1, 2008

His Excellency, Governor John H. Lynch
and the Honorable Council
State House
Concord, New Hampshire 03301

APPROVED G & C
DATE 11/19/08
ITEM # 96

REQUESTED ACTION

Accept the annual report of the Oil Fund Disbursement Board (Board).

EXPLANATION

In accordance with RSA 146-D:5, II, RSA 146-E:7, RSA 146-F:6, and RSA 146-G:9, the Board is pleased to submit its annual report on the status of the New Hampshire Petroleum Cleanup Fund Program for the State Fiscal Year ending June 30, 2008. A table entitled, "N.H. Petroleum Cleanup Reimbursement Funds Summary" is attached which lists: the various funds, import fees, typical annual revenues, fund type and use, balance as of June 30, 2008, and budget for State Fiscal Year 2009. The *Petroleum Reimbursement Fund Program Annual Report*, also attached, includes: program background information, objectives and activity information, legislative activity information, a summary of current and historic financial data, cleanup (i.e., corrective action) cost distribution data, and a discussion and analysis of the various data.

As noted in the annual report, the reimbursement fund program has a long history of service to the citizens of New Hampshire, in providing financial resources to remedy environmental impacts due to releases of petroleum products. (See Annual Report Table 5 – Eligible Costs by Community, page 10.) The three petroleum storage facility funds operate as comprehensive excess insurance that protects facility owner assets and ensures timely and cost-effective corrective action for petroleum contamination. The Gasoline Ether Fund under RSA 146-G provides financial assistance for the problem of methyl tertiary-butyl ether (MtBE) contamination. MtBE still affects owners of public and private water supply wells statewide, despite the ban on the gasoline additive - effective January 1, 2007.

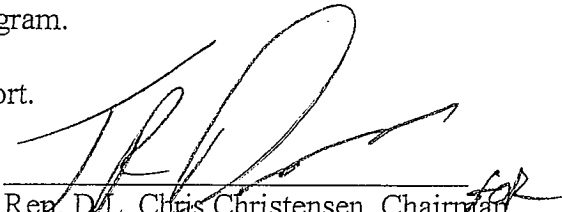
In FY 2008, the Gasoline Ether Fund and Oil Discharge & Disposal Cleanup Fund (ODDCF) under RSA 146-D, provided over \$13,400,000 to small and large business owners, municipalities and state agencies for motor fuel contamination corrective action. Demand for these funds will continue in the future but revenues are not sufficient to meet maintenance-level program needs, necessitating a reduction in corrective action expenses in our proposed FY 2010 and FY 2011 budget.

The Fuel Oil Discharge Cleanup Fund (FODCF) under RSA 146-E is available for contamination corrective action and for replacement of substandard on-premise-use heating oil

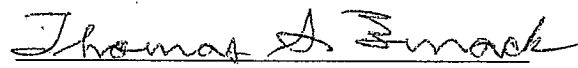
storage tank systems. The tank replacement program provides up to \$1,500 for low-income homeowners and has been a major part of our efforts to reduce the incidence of heating oil releases to the environment and thus reduce corrective action expenses. However, the program is operating on a limited basis due to insufficient FODCF revenues, which are being prioritized for corrective action.

Department of Environmental Services personnel work diligently to assist owners of contaminated public and private water supply wells, and bring corrective action projects to regulatory closure. The Department also directs significant effort toward petroleum storage facility owner/operator outreach and training for release prevention. However, existing groundwater contamination in many areas of the state will be slow to degrade, and new contamination projects will still be discovered in future years despite release prevention efforts. Thus, continuation of the Petroleum Cleanup Fund Program and adequate program funding are vital to protect public health and the environment in New Hampshire. We commend the Legislature for approving HB 1426-FN-A in the 2008 session, which extended the ODDCF and Gasoline Ether Fund until July 1, 2015. We look forward to working with you to address future revenue needs for this important environmental program.

We respectfully request your acceptance of this report.



Rep. D.L. Chris Christensen, Chairman
Oil Fund Disbursement Board



Thomas S. Burack, Commissioner
Dept. of Environmental Services

Attachments

cc: Hon. Sylvia B. Larsen, President of the Senate
Hon. Terie Norelli, Speaker of the House
Hon. Martha Fuller-Clark, Chairman Senate Energy, Environment & Economic Development Committee
Hon. James Phinizy, Chairman House Environment & Agriculture Committee
Hon. Candace W. Bouchard, Chairman House Public Works & Highways Committee
Tammy L. Wright, Clerk of the Senate
Karen O. Wadsworth, Clerk of the House
N.H. State Library

N.H. PETROLEUM CLEANUP REIMBURSEMENT FUNDS SUMMARY - Annual Report 10/1/08

STATUTE	FUND NAME	PETROLEUM TYPE ¹	IMPORT FEE	TYPICAL ANNUAL REVENUES	FUND TYPE ²	FUND USE	FUND BALANCE (as of 6/30/08)	ANNUAL BUDGET (FY 2009) ³
RSA 146-D Effective 7/1/1988	Oil Discharge and Disposal Cleanup Fund (ODDCF)	Motor fuels (gasoline & diesel)	\$0.0125/gal on gasoline \$0.015/gal on diesel	\$11,850,000	Financial responsibility (Excess insurance)	Reimbursement for clean up by owners of regulated motor fuel USTs and ASTs	\$2,113,663	\$12,714,472
RSA 146-E Effective 8/28/1993	Fuel Oil Discharge Cleanup Fund (FODCF)	Heating oil	\$0.01/gal.	\$2,850,000	Excess insurance	Reimbursement for clean up by owners of heating oil facilities (primarily homeowners)	\$942,033	\$2,864,349
RSA 146-F Effective 7/1/1995	Motor Oil Discharge Cleanup Fund (MODCF)	Motor oil	\$0.04/gal.	\$280,000	Excess insurance	Reimbursement for clean up by owners of motor oil storage facilities (primarily service stations and automobile dealers)	\$282,303	\$350,025
RSA 146-G Effective 7/1/ 2001	Gasoline Remediation & Elimination of Ethers (GREE) Fund	Gasoline Containing Ethers	\$.0025/gal.	\$1,800,000	Remediation of gasoline ether contamination	Reimbursement to owners of impacted water supplies and source properties	\$871,316	\$1,958,649
								Total: \$17,887,495

NOTES:

- Petroleum type indicates the type of petroleum on which the import fee is assessed and/or the nature of the facility or petroleum release which can be addressed by the fund.
- Financial responsibility of up to \$1,000,000 for cleanup costs and third-party damages is required for all federally regulated motor fuel underground storage tanks. The ODDCF is the financial responsibility mechanism for all federally regulated underground storage tanks in New Hampshire. The ODDCF, FODCF, and MODCF operate as excess insurance funds. The GREE fund operates as a remediation fund only. This fund is available to owners of public and private water supplies who incur costs for periodic monitoring and for replacement of contaminated supplies, and owners of sites that are a source of gasoline ether contamination. The fund is also available to pay DES contractor costs for providing temporary potable water and performing investigations to determine sources of gasoline ether contamination.
- Annual budgets are based on corrective action funding demand in FY 2009. Governor and Council action may be needed to increase budgets from current FY 2009 levels.

STATE OF NEW HAMPSHIRE

Petroleum Reimbursement Fund Program

RSA 146-D, RSA 146-E, RSA 146-F, and RSA 146-G

Annual Report



Oil Fund Disbursement Board

October 1, 2008

FORWARD

Pursuant to RSA 146-D:5, II, RSA 146-E:7, RSA 146-F:6 and RSA 146-G:9, this document presents the Annual Report on the activities, income, and expenses for the Oil Discharge and Disposal Cleanup, Fuel Oil Discharge Cleanup Fund, Motor Oil Discharge Cleanup Fund and Gasoline Remediation & Elimination of Ethers Fund for the state fiscal year ending June 30, 2008.

Rep. D.L. Chris Christensen, Chairman
Kevin A. Sheppard, P.E., Vice Chairman
Sen. Peter H. Burling
Sen. Margaret W. Hassan
Rep. Anthony F. Simon
Thomas Klemm
James E. Robertson
Ronald R. Poirier
Thomas J. Frawley
Raymond Bellemore
Michael J. Wimsatt, P.G.
Scott R. Bryer, CPA

Oil Fund Disbursement Board – RSA 146-D:4, I
September 29, 2008

TABLE OF CONTENTS

	<u>Page</u>
PROGRAM BACKGROUND	1
PROGRAM OBJECTIVES & ACTIVITY	2
COMMUNITY ASSISTANCE & STATE ECONOMIC DEVELOPMENT	2
LEGISLATIVE, RULEMAKING & RELATED ACTIVITY	3
INCOME & EXPENSES	3
Operating Revenues	
Administrative Costs	
Corrective Action Expenses	
Release Prevention/Research Expenses	
Total Available Funds	
DISTRIBUTION OF CORRECTIVE ACTION PROJECTS & EXPENSES	6
PROGRAM RECOGNITION	7
SUMMARY OF FINANCIAL ACTIVITY	8
ELIGIBLE CORRECTIVE ACTION PROJECT DISTRIBUTION	9
ELIGIBLE COSTS BY COMMUNITY	10
CORRECTIVE ACTION EXPENSE DISTRIBUTION	11

Program Background

The New Hampshire Petroleum Fund Program is a financial assistance program for owners of petroleum storage facilities, owners of public and private water supplies, and owners of properties identified as a source of gasoline ether contamination - typically methyl tertiary-butyl ether (MtBE). The program includes four separate dedicated funds authorized by state statute for the cleanup of petroleum contamination. These funds are; the Oil Discharge & Disposal Cleanup Fund under authority of RSA 146-D, the Fuel Oil Discharge Cleanup Fund under authority of RSA 146-E, the Motor Oil Discharge Cleanup Fund under authority of RSA 146-F, and the Gasoline Remediation & Elimination of Ethers Fund under authority of RSA 146-G.

The RSA 146-D fund was enacted into law in July 1988, and program operations began in 1990. The other three funds were added to the program in subsequent years, the most recent being the RSA 146-G fund in July 2001. In total years, the fund program has a long history of service to the citizens of New Hampshire in providing financial resources to remedy environmental impacts.

The RSA 146-D, E & F funds provide "excess insurance" coverage for owners of underground storage tank (UST) facilities, owners of above ground storage tank (AST) facilities, and owners of on-premise-use heating oil facilities (including residential properties). Under federal and state regulations, UST owners are required to demonstrate financial responsibility for contamination cleanup. Together, these

three funds comprise a comprehensive insurance program that protects facility owners from financial devastation and ensures timely and cost-effective cleanup of petroleum contamination. Owners of petroleum storage facilities may request reimbursement for cleanup (i.e., corrective action) costs incurred due to facility releases. To qualify for state fund coverage, the facility must be in substantial compliance with all applicable state and federal rules for facility operation and maintenance, to reduce the risk of releases.

In addition, under RSA 146-E, homeowners who demonstrate financial need may receive up to \$1,500 in funds for repair or replacement of substandard fuel oil storage tank systems, to prevent releases. The "SAFETANK" Program is expected to reduce corrective action expenses in future years, but is currently operating on a limited basis due to insufficient funds.

The RSA 146-G fund was enacted in 2001 to specifically address the significant problem of increasing levels of MtBE contamination in public and private drinking water supply wells throughout the state. In 2004 and 2005, the Department of Environmental Services (DES) worked closely with legislators to identify solutions and enact new legislation to correct the MtBE contamination problem. SB-397 passed in 2004 and HB-58 passed in 2005, required removal of the compound from the gasoline fuel supply by January 1, 2007. At this time, MtBE is (effectively) no longer in the New Hampshire gasoline supply. However, it remains a

contaminant of concern in groundwater statewide.

The fund program is administered by the Oil Fund Disbursement Board (Board), which is composed of twelve members representing the N.H. Legislature, the petroleum industry, state agencies and the general public. The Board is administratively attached to DES, which performs program support services. The Board meets monthly to hear appeals, approve activity reports, and review policies and procedures.

Reimbursements from the Oil Discharge & Disposal Cleanup Fund (ODDCF), the Fuel Oil Discharge Cleanup Fund (FODCF), the Motor Oil Discharge Cleanup Fund (MODCF) and the Gasoline Remediation & Elimination of Ethers (GREE) Fund are subject to N.H. Administrative Rules Chapter Odb 400 and Board policies.

Program Objectives & Activity

The Board and DES work cooperatively to ensure that the goals established by statute for each fund are met. That is, protection of public health and the environment through the funding of remediation activities for petroleum contamination in soil and water. DES program staff work to move corrective action projects toward regulatory closure in a timely manner. This activity includes review and approval of corrective action work scopes and budgets, activity reports, and reimbursement requests. In a typical month, DES staff will review and approve 70 work scopes/budgets, 200 corrective action activity reports and 220 reimbursement

requests ranging from under \$1,000 to over \$200,000. Whenever possible, innovative and performance-based strategies are employed to improve corrective action results and decrease the time to complete regulatory closure of a project.

The Board oversees financial management of the funds including development and implementation of rules, policies and procedures for fund eligibility and reimbursement request processing. In its efforts, the Board may employ independent auditors or consultants, and relies on the Department of Justice for legal counsel.

Community Assistance & State Economic Development

Since 1990, the fund program has disbursed over \$172,000,000 to individuals, small business owners, corporations, political subdivisions and agencies of the state, for corrective action cost reimbursement. Petroleum storage facility owners or individuals in nearly every community have received fund program assistance. See Table 5 on Page 10, which lists eligible costs by community.

Fund program disbursements provide a direct benefit in protecting public health, and in environmental damage prevention and restoration. In addition, the program provides ancillary economic development benefits by offsetting unplanned costs that would otherwise be incurred by business owners and by encouraging property revitalization and reuse.

Legislative, Rulemaking & Related Activity

In October and November 2005, the Board adopted revised fund program administrative rules under N.H. Administrative Rules Chapters Odb 100, 200 and 400. Amendments to the program guidance manual were published July 1, 2007. These documents provide comprehensive information on accessing the reimbursement funds, and are available upon request or may be obtained directly at:

http://www.des.state.gov/orcb_hwrp.htm

In 2008, HB-1426 was enacted into law, which extended the lapse date of the ODDCF and GREE Fund to July 1, 2015.

Income & Expenses

Annual operating revenue to the ODDCF, FODCF and MODCF is provided through import fees on petroleum products. These import fees are collected by the Department of Safety, as are other motor fuel fees for other state agencies. Annual operating revenue to the GREE Fund is provided through transfers from the ODDCF. Each fund has a balance “ceiling and floor” established by statute, such that import fee collections are suspended when the ceiling is reached and collections resume when the balance is paid-down to the floor. However, with the possible exception of the MODCF, current and future demand for program funds will likely preclude reaching the ceilings. Ensuring that sufficient funds are available to support present and future

corrective action projects is a primary focus of program planning. At present, the demand for FODCF, ODDCF and GREE Fund corrective action and release prevention funds exceeds available revenues.

Fund program financial operations follow the state Fiscal Year (FY) calendar of July 1st to June 30th, and the state biennium budget cycle. The current state FY is 2009, which began July 1, 2008. Tables 1-3 summarizing comparative FY 2007 & FY 2008, historic, and FY 2009 & FY 2010 projected revenues and expenses for the four-fund program are included in the *Summary of Financial Activity* section beginning on Page 8.

The Board is pleased to report the majority of program revenues are directed to achieving established goals and objectives, while (historic) overall administrative costs for the four-fund program are 9.0% of total expenses. Overhead expenses are minimized through a management strategy based on two key tenets. First, DES supervisory, project management, facility compliance and administrative staff are able to work under all four funds on a program basis, through the use of a single administrative expense account that is supported by the four funds. This shared approach facilitates full utilization of day-to-day staff-hour resources and minimizes idle time. Second, overtime funds are available to provide additional staff-hours as needed to meet peak workload demands through staff equivalents, versus maintaining

sufficient full-time staff to cover all potential workload demands.

In FY 2008, DES full-time and equivalent-time staff processed reimbursements and managed corrective action contract work totaling \$15,389,125.

Operating Revenues: Total ODDCF revenues decreased from \$13,816,569 in FY 2007 to \$11,878,823 in FY 2008. However, \$2,027,469 of FY 2007 revenues was from a settlement with ExxonMobil Corporation regarding private insurance coverage. Motor fuel import fee revenue increased from \$11,789,100 in FY 2007 to \$11,878,823 in FY 2008, but has declined each previous year since FY 2004. A moderate increasing import trend would reasonably be expected due to overall state population growth and economic development. However, import data does not support that expectation, and the price of gasoline and diesel fuel will likely influence future imports. An increasing revenue trend is important, as the ODDCF balance has been paid-down at a steady pace due to corrective action work. The demand for corrective action cost reimbursement monies through the ODDCF sunset date of July 1, 2015, cannot be sustained at current revenue levels. Thus, DES is re-prioritizing many corrective action projects due to reduced funding.

FODCF revenues decreased from \$3,171,444 in FY 2007 to \$2,867,750 in FY 2008. Historically, FODCF revenues are seasonal-dependent and fuel oil price-sensitive. As with the ODDCF, fuel oil

import data does not indicate a consistent increasing trend needed to support all program activities. At this time, the SAFETANK release prevention program is operating on a limited basis to ensure there are sufficient funds for corrective action work.

MODCF revenues decreased from \$331,514 in FY 2007 to \$270,035 in FY 2008. However, this income level is expected to be (marginally) sufficient to support program activities, provided no new large corrective action projects are identified.

GREE Fund revenues increased from \$1,840,892 in FY 2007 to \$1,861,796 in FY 2008, due to the increase in ODDCF motor fuel imports. However, as with the ODDCF, this small increase is not likely indicative of an upward trend.

Administrative Costs: Administrative costs decreased overall during FY 2008, due to position vacancies. Approved personnel salary increments and costs for benefits, overhead, building rent, computer services and contractor costs will increase expenses in FY 2009. However, as noted previously, overall program administrative costs are a low 9.0% of total expenses. FY 2009 budgeted administrative costs are based on an assumption that all positions remain filled, and applying conservative estimates for inter-fund operation expense transfers and other program costs.

Corrective Action Expenses: ODDCF corrective action expenses decreased from \$13,260,917 in FY 2007 to \$12,076,169 in

FY 2008, due to reduced revenues and fund balance. The demand for AST and UST corrective action funds is expected to be \$12,500,000 or higher for a number of years. This is attributable to a slow decline in the population of active UST projects, and new AST projects likely to be identified due to regulations that become effective in May 2008. A slow UST project decline is due to the high percentage of projects with groundwater impacts and MtBE contamination. Closing these projects will require considerable investment in active remediation or long-term monitoring with natural attenuation. A request to Governor and Council will be needed to increase the current FY 2009 budget of \$10,850,000, using carry-forward fund balance from FY 2008.

FODCF corrective action expenses decreased from \$2,318,153 in FY 2007 to \$2,269,836 in FY 2008, due to reduced revenues and fund balance. The demand for on-premise-use facility funds will continue to be \$2,100,000 per year or higher and new AST regulations that became effective in May 2008 may increase demand for funds.

MODCF corrective action expenses decreased significantly from \$471,371 in FY 2007 to \$59,994 in FY 2008. No new large projects have been identified that will increase expenses above the current \$150,000 budget for FY 2009.

GREE Fund corrective action expenses, including reimbursements and DES contractor costs, decreased from \$1,387,282 in FY 2007 to \$853,056 in FY

2008. However, this expense level is still higher than the current FY 2009 budget of \$550,000. A request to Governor and Council will be needed to increase this budget using carry-forward fund balance from FY 2008. Similar to the ODDCF, a slow decline in the active project population is expected, and new motor vehicle salvage yard projects may increase demand for funds.

Release Prevention/Research Expenses: FODCF SAFETANK expenses decreased significantly from \$409,241 in FY 2007 to \$130,070 in FY 2008, due to reduced revenues and fund balance. As noted previously, the SAFETANK program is operating on a limited basis to ensure there are sufficient funds for corrective action work. Fully funding this important program will continue to offer benefits in future years through reduced corrective action expenses.

No new GREE Fund research projects are proposed due to limited funds.

Total Available Funds: If total available funds, i.e., new revenues plus fund balance, are not sufficient, delays in corrective action cost reimbursement and resultant delays in performing work may result. Delays in performing work increase the risk to public health and the environment as contaminants move further from the source property, through soil and water media. It is important that reserve funds be available for significant corrective action events.

Annual revenues plus fund balance in the FODCF, GREE Fund and ODDCF necessitate (further) prioritization of work

and continued delay of projects in FY 2009, which were initially delayed in FY 2008.

Distribution of Corrective Action Projects & Expenses

For a typical project, the sequence of “phased” corrective action work from discovery of a release through regulatory closure is: Emergency Services, Initial Response, Site Characterization, Site Investigation, Remedial Plan, Remedial Plan Implementation and finally, Monitoring. The nature of the product released dictates the type of work needed to complete corrective action. A gasoline release will spread further in environmental media such as soil and groundwater hence, a comprehensive site investigation is usually required prior to remedial plan development and remedial plan implementation. In contrast, contamination from a fuel oil release is most often limited to soil. Therefore, most fuel oil corrective action work typically occurs under the Initial Response phase, and these projects move quickly to regulatory closure without a comprehensive site investigation.

The majority of corrective action work currently funded under the ODDCF is associated with releases of gasoline and diesel products from regulated USTs, reported during the period from the late 1980s through December 1998. After 1998, most operating facility owners achieved substantial compliance with regulations and the number of new releases significantly decreased.

However, the incidence of second vapor-related releases, with MtBE as the principal contaminant of concern, contributed to a large active project population that is slow to decline due to groundwater impacts. DES has worked with public and private sector partners to determine the causes of vapor releases and develop solutions, as well as legislation to remove MtBE from gasoline.

ODDCF Corrective action expenses from 1990 through the present were evenly distributed among the Initial Response, Site Investigation, Remedial, and Monitoring phases as new projects were initiated and existing projects closed. There are 783 active ODDCF-eligible projects with 23 new projects reported in calendar 2007. In future years, the percentage of remedial costs will increase as regulatory closure of active projects is completed, and the discovery of new releases requiring investigation diminishes, for regulated AST and UST facilities.

In comparison, the majority of work under the FODCF was associated with releases from residential fuel oil tanks, with 55% of expenses for Initial Response. There are approximately 238 active, FODCF-eligible projects with 166 new residential fuel oil tank releases reported in calendar 2007.

Activity under the MODCF is limited due to a few reported releases. The majority of existing active projects (18) are in the investigation or monitoring phase.

As noted previously, the GREE Fund differs from the other funds in applicability

and operation. Corrective action work is directed toward remedies for parties impacted by MtBE contamination, and contamination source site investigation and cleanup. Therefore, expenses include interim water supplies and associated monitoring/maintenance, permanent water supply installations, and corrective action phases typical of the other funds. Permanent water supplies include replacement public and private water supply wells and extensions of municipal water main systems to serve numerous contaminated properties. A major water main installation project was completed in the Town of Salem in 2004. A water main and water supply well upgrade project is in progress in the Town of Lee.

The GREE Fund program includes owners of gasoline ether contamination source properties who are required to conduct investigations and implement remedies. (Motor vehicle salvage yards are a typical MtBE contamination source location.) In addition, public water supply owners receive funding for periodic MtBE monitoring and customer notification. There are 126 active, eligible projects at this time.

Program corrective action project statistics are reported on a calendar year basis and are provided in Table 4 on Page 9. Figures 1-4 on Pages 11 & 12 illustrate the historic distribution of corrective action project costs,

for purposes of comparison among the four funds.

Program Recognition

The New Hampshire petroleum fund program continues to receive high marks from USEPA, consulting engineers, petroleum industry representatives, and facility owners. New Hampshire has achieved nearly 100% regulatory compliance in its efforts to remove or upgrade substandard underground storage tanks. Therefore, the risk of future releases and impacts to the ODDCF are greatly reduced, versus 18 years ago when the program began. Our performance places us at the top tier nationally among the states.

Completing regulatory closure of existing FODCF, ODDCF, and GREE Fund projects depends on adequate funding. With adequate funding, the fuel oil release prevention program can greatly reduce future corrective action expenses and impacts to the FODCF. The Board and DES work cooperatively to ensure continuous improvement in management of the four funds, and look forward to working with the Governor and Legislature to address future revenue needs for this vital program.

Summary of Financial Activity

Table 1 - FY 2007 & FY 2008 Comparative

<i>Category</i>	<i>Oil Discharge & Disposal Cleanup Fund (RSA 146-D)</i>		<i>Fuel Oil Discharge Cleanup Fund (RSA 146-E)</i>		<i>Motor Oil Discharge Cleanup Fund (RSA 146-F)</i>		<i>Gasoline Remediation & Elimination of Ethers Fund (RSA 146-G)</i>	
<i>Fiscal Year</i>	<i>2007</i>	<i>2008</i>	<i>2007</i>	<i>2008</i>	<i>2007</i>	<i>2008</i>	<i>2007</i>	<i>2008</i>
Beginning Balance	\$4,062,819	\$3,455,065	\$661,816	\$862,738	\$502,583	\$223,364	\$1,019,046	\$337,467
Revenues (1)	\$13,816,569	\$11,878,823	\$3,171,444	\$2,867,750	\$331,514	\$270,035	\$1,840,892	\$1,861,796
Administrative Costs (2)	(\$1,163,406)	(\$1,144,056)	(\$243,128)	(\$388,547)	(\$139,362)	(\$151,102)	(\$767,146)	(\$474,891)
Corrective Action Expenses	(\$13,260,917)	(\$12,076,169)	(\$2,318,153)	(\$2,269,836)	(\$471,371)	(\$59,994)	(\$1,387,282)	(\$853,056)
Release Prevention/ Research/ Investigation Expenses	N.A.	N.A.	(\$409,241)	(\$130,070)	N.A.	N.A.	(\$368,043)	\$0
Adjustments (3)								
Ending Balance	\$3,455,065	\$2,113,663	\$862,738	\$942,033	\$223,364	\$282,303	\$337,467	\$871,316

Table 2 - Historic Performance

<i>Category</i>	<i>Oil Discharge & Disposal Cleanup Fund (RSA 146-D)</i>	<i>Fuel Oil Discharge Cleanup Fund (RSA 146-E)</i>	<i>Motor Oil Discharge Cleanup Fund (RSA 146-F)</i>	<i>Gasoline Remediation & Elimination of Ethers Fund (RSA 146-G)</i>
Program Initiation	1990	1993	1995	2002
Revenues	\$150,745,669	\$35,501,022	\$3,140,377	\$11,618,084
Administrative Costs	(\$11,740,334)	(\$2,230,739)	(\$687,173)	(\$3,011,094)
Loan Expense (4)	N.A.	(\$2,000,000)	(\$400,000)	N.A.
Corrective Action Expenses	(\$137,021,498)	(\$27,738,836)	(\$1,070,901)	(\$6,427,701)
Release Prevention/ Research/Investigation Expenses	N.A.	(\$2,389,412)	N.A.	(\$1,307,973)
Adjustments	\$129,826	(\$200,000)	(\$700,000)	None
Balance – FY 2007	\$2,113,663	\$942,035	\$282,303	\$871,316

NOTES TO TABLES 1 & 2:

- (1) Total revenues include import fees, interest and inter-fund transfers. In FY 2007 RSA 146-D revenues includes \$2,027,469 in ExxonMobil settlement funds.
- (2) Administrative costs include: DES project management, fund administration and facility compliance services, Dept. of Safety import fee collection activities, and Dept. of Justice and other legal services.
- (3) Year-end or other adjustments to revenues or expenses result from reconciliation of inter-account discrepancies, or legislative inter-fund transfers.
- (4) Loan expenses result from repayment of program start-up funds and other inter-fund loans.

Table 3 - FY 2009 & 2010 Projected

Category	Oil Discharge & Disposal Cleanup Fund (RSA 146-D)		Fuel Oil Discharge Cleanup Fund (RSA 146-E)		Motor Oil Discharge Cleanup Fund (RSA 146-F)		Gasoline Remediation & Elimination of Ethers Fund (RSA 146-G)	
	2009	2010	2009	2010	2009	2010	2009	2010
Beginning Balance	\$2,113,663	\$1,199,191	\$942,035	\$777,686	\$282,303	\$212,278	\$871,316	\$712,667
Revenues (1)	\$11,800,000	\$11,850,000	\$2,850,000	\$2,870,000	\$280,000	\$290,000	\$1,800,000	\$1,850,000
Administrative Costs (2)	(\$1,514,472)	(\$1,403,094)	(\$514,349)	(\$476,522)	(\$200,025)	(\$185,314)	(\$628,649)	(\$582,416)
Corrective Action Expenses (3)	(\$11,200,000)	(\$11,200,000)	(\$2,350,000)	(\$2,350,000)	(\$150,000)	(\$150,000)	(\$1,330,000)	(\$1,330,000)
Release Prevention/ Research/Investigation Expenses (3)	N.A.	N.A.	(\$150,000)	(\$150,000)	N.A.	N.A.	\$0	\$0
Adjustments (4)								
Ending Balance (5)	\$1,199,191	\$446,097	\$777,686	\$671,163	\$212,278	\$166,964	\$712,667	\$650,251

NOTES TO TABLE 3:

- (1) Total revenues are based on historic averages and projected fuel import activity. Revenue includes import fees, interest and inter-fund transfers.
- (2) Administrative costs include: DES project management, facility compliance and fund administration services, Dept. of Safety import fee collection activities, Dept. of Justice and other legal services, and audit services.
- (3) Corrective action, release prevention and research expenses for the biennium are limited based on available revenues and target ending balances. Actual demand is higher for all the funds except the RSA 146-F fund. FY 2008 release prevention expenses, if any, will be limited to emergency tank replacements only.
- (4) No year-end or other adjustments are anticipated.
- (5) Ending balances are minimum target amounts for reserve funds, based on statutory individual facility coverage limits and unplanned projects.

Eligible Corrective Action Project Distribution

Table 4 – Totals, As of August 31, 2008

Category	Oil Discharge & Disposal Cleanup Fund (RSA 146-D)	Fuel Oil Discharge Cleanup Fund (RSA 146-E)	Motor Oil Discharge Cleanup Fund (RSA 146-F)	Gasoline Remediation & Elimination of Ethers Fund (RSA 146-G)
Total Projects	1,587	1,518	39	186
Closed Projects	804	1,280	21	60
Active Projects	783	238	18	126
New Projects in Calendar 2007	23	167	2	8

Eligible Costs by Community – All Funds

Table 5 – Totals, As of August 31, 2008

ACWORTH	\$19,293	COLEBROOK	\$153,770	GREENVILLE	\$172,535	MARLBOROUGH	\$286,956	PLAINFIELD	\$198,788	WARNER	\$275,227
ALBANY	\$403,425	CONCORD	\$5,472,529	GROTON	\$83,036	MARLOW	\$89,255	PLAISTOW	\$2,080,856	WARREN	\$288,094
ALEXANDRIA	\$14,367	CONWAY	\$2,235,776	HAMPSTEAD	\$1,272,861	MASON	\$941,899	PLYMOUTH	\$3,505,286	WATERVILLE VALLEY	\$199,089
ALLENSTOWN	\$414,691	CORNISH	\$115,946	HAMPTON	\$1,187,608	MEREDITH	\$3,199,869	PORTSMOUTH	\$4,302,508	WEARE	\$3,073,962
ALSTEAD	\$446,322	CROYDON	\$36,085	HAMPTON FALLS	\$110,769	MERRIMACK	\$1,073,848	RAYMOND	\$1,092,653	WEBSTER	\$5,657
ALTON	\$950,580	DALTON	\$627,114	HANCOCK	\$11,270	MIDDLETON	\$32,001	RICHMOND	\$1,134,542	WESTMORELAND	\$63,631
AMHERST	\$340,290	DANBURY	\$182,145	HANOVER	\$1,323,536	MILAN	\$11,505	RINDGE	\$218,541	WHITEFIELD	\$368,755
ANDOVER	\$160,964	DANVILLE	\$239,461	HARRISVILLE	\$171,003	MILFORD	\$2,316,688	ROCHESTER	\$4,290,603	WILMOT	\$115,778
ANTRIM	\$502,217	DEERFIELD	\$391,451	HAVERHILL	\$778,872	MILTON	\$261,292	ROLLINSFORD	\$813,952	WILTON	\$311,875
ASHLAND	\$476,411	DEERING	\$84,103	HEBRON	\$35,519	MONROE	\$12,721	RUMNEY	\$56,856	WINCHESTER	\$861,329
ATKINSON	\$97,343	DERRY	\$2,988,340	HENNIKER	\$382,646	MONT VERNON	\$203,542	RYE	\$620,727	WINDHAM	\$4,359,317
AUBURN	\$667,088	DIXVILLE	\$274,133	HILL	\$30,505	MOULTONBOROUGH	\$1,871,869	SALEM	\$4,280,268	WOLFEBORO	\$1,717,460
BARNSTEAD	\$421,928	DORCHESTER	\$21,382	HILLSBOROUGH	\$2,985,611	NASHUA	\$6,530,384	SALISBURY	\$51,965	WOODSTOCK	\$125,487
BARRINGTON	\$263,083	DOVER	\$6,745,473	HINSDALE	\$183,326	NELSON	\$322,708	SANBORNTON	\$194,438		
BARTLETT	\$372,921	DUBLIN	\$111,256	HOLDERNESS	\$133,318	NEW BOSTON	\$323,841	SANDOWN	\$197,006		
BATH	\$31,155	DUNBARTON	\$380,959	HOLLIS	\$245,593	NEW CASTLE	\$206,797	SANDWICH	\$272,324		
BEDFORD	\$1,906,795	DURHAM	\$953,893	HOOKESETT	\$1,170,218	NEW DURHAM	\$71,230	SEABROOK	\$1,046,411		
BELMONT	\$1,575,864	EAST KINGSTON	\$35,118	HOPKINTON	\$915,051	NEW HAMPTON	\$16,672	SHARON	\$10,114		
BENNINGTON	\$171,458	EFFINGHAM	\$37,599	HUDSON	\$1,318,917	NEW IPSWICH	\$457,083	SOMERSWORTH	\$2,548,837		
BERLIN	\$870,599	ENFIELD	\$1,722,803	JACKSON	\$81,003	NEW LONDON	\$948,122	SOUTH HAMPTON	\$77,079		
BETHLEHEM	\$479,516	EPPING	\$1,647,585	JAFFREY	\$1,187,217	NEWBURY	\$315,878	STARK	\$47,223		
BOSCAWEN	\$245,466	EPSOM	\$1,638,144	JEFFERSON	\$198,615	NEWFIELDS	\$103,501	STEWARTSTOWN	\$62,426		
BOW	\$561,705	ERROL	\$438,991	KEENE	\$2,943,114	NEWINGTON	\$979,681	STODDARD	\$435,196		
BRADFORD	\$1,394,328	EXETER	\$2,519,797	KENSINGTON	\$113,406	NEWMARKET	\$555,303	STRAFFORD	\$462,429		
BRENTWOOD	\$362,092	FARMINGTON	\$494,869	KINGSTON	\$1,182,290	NEWPORT	\$1,521,265	STRATFORD	\$480,257		
BRIDGEWATER	\$204,510	FITZWILLIAM	\$407,664	LACONIA	\$4,445,562	NEWTON	\$486,374	STRATHAM	\$911,717		
BRISTOL	\$683,199	FRANCESTOWN	\$217,716	LANCASTER	\$1,079,587	NORTH HAMPTON	\$677,962	SUGAR HILL	\$27,870		
BROOKFIELD	\$7,152	FRANCONIA	\$148,976	LEBANON	\$4,850,189	NORTHFIELD	\$373,323	SULLIVAN	\$38,291		
BROOKLINE	\$44,140	FRANKLIN	\$1,461,465	LEE	\$1,798,076	NORTHUMBERLAND	\$362,034	SUNAPEE	\$306,183		
CAMBRIDGE	\$10,779	FREEDOM	\$229,811	LEMPSTER	\$227,009	NORTHWOOD	\$1,822,167	SURRY	\$17,767		
CAMPTON	\$629,800	FREMONT	\$406,614	LINCOLN	\$88,876	NOTTINGHAM	\$298,748	SUTTON	\$364,121		
CANAAN	\$1,246,282	GILFORD	\$1,455,355	LISBON	\$209,551	ORANGE	\$19,947	SWANZEY	\$698,302		
CANDIA	\$499,178	GILMANTON	\$354,091	LITCHFIELD	\$156,041	ORFORD	\$134,955	TAMMORTH	\$285,021		
CANTERBURY	\$324,530	GILSUM	\$32,810	LITTLETON	\$1,378,870	OSSIPEE	\$2,325,608	TEMPLE	\$29,318		
CARROLL	\$471,273	GOFFSTOWN	\$2,020,317	LONDONDERRY	\$2,057,659	PELHAM	\$788,383	THORNTON	\$47,459		
CENTER HARBOR	\$68,409	GORHAM	\$919,050	LOUDON	\$233,150	PEMBROKE	\$262,096	TILTON	\$1,913,366		
CHARLESTOWN	\$178,343	GOSHEN	\$277,662	LYME	\$81,234	PETERBOROUGH	\$1,193,055	TROY	\$71,441		
CHESTER	\$179,596	GRAFTON	\$55,958	LYNDEBOROUGH	\$8,640	PIERMONT	\$286,765	TUFTONBORO	\$886,259		
CHESTERFIELD	\$290,934	GRANTHAM	\$370,608	MADBURY	\$198,917	PINKHAM'S GRANT	\$263,715	UNITY	\$266,187		
CHICHESTER	\$1,669,860	GREENFIELD	\$83,584	MADISON	\$135,790	PITTSBURG	\$133,674	WAKEFIELD	\$1,645,033		
CLAREMONT	\$1,640,152	GREENLAND	\$1,254,051	MANCHESTER	\$12,554,506	PITTSFIELD	\$780,956	WALPOLE	\$354,354		

Corrective Action Expense Distribution

Figure 1 - Oil Discharge & Disposal Cleanup Fund

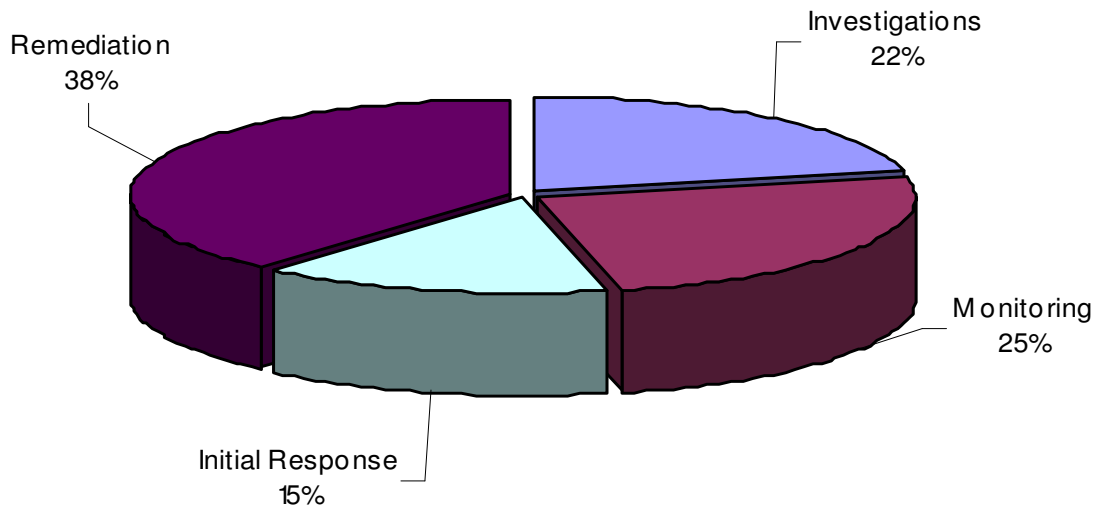


Figure 2 - Fuel Oil Discharge Cleanup Fund

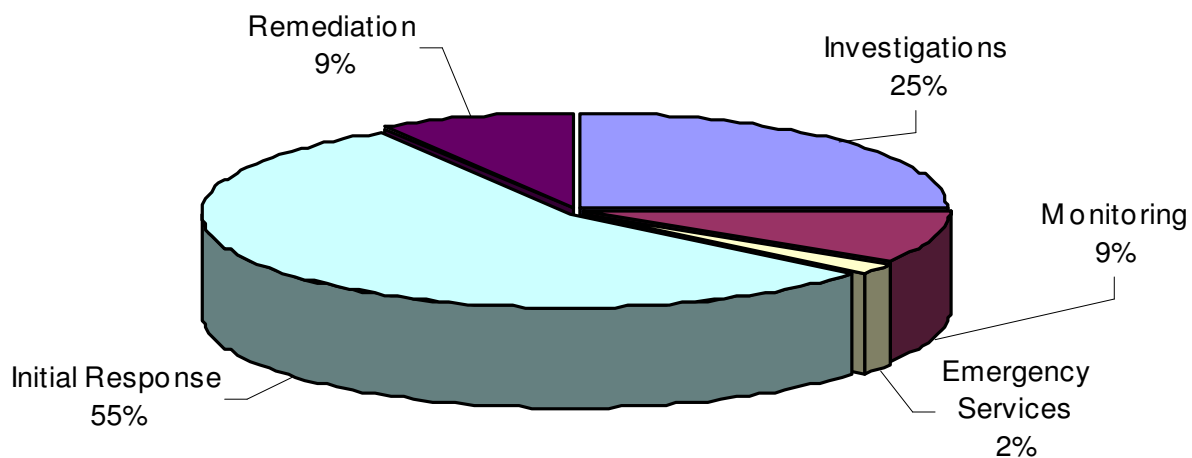


Figure 3 - Motor Oil Discharge Cleanup Fund

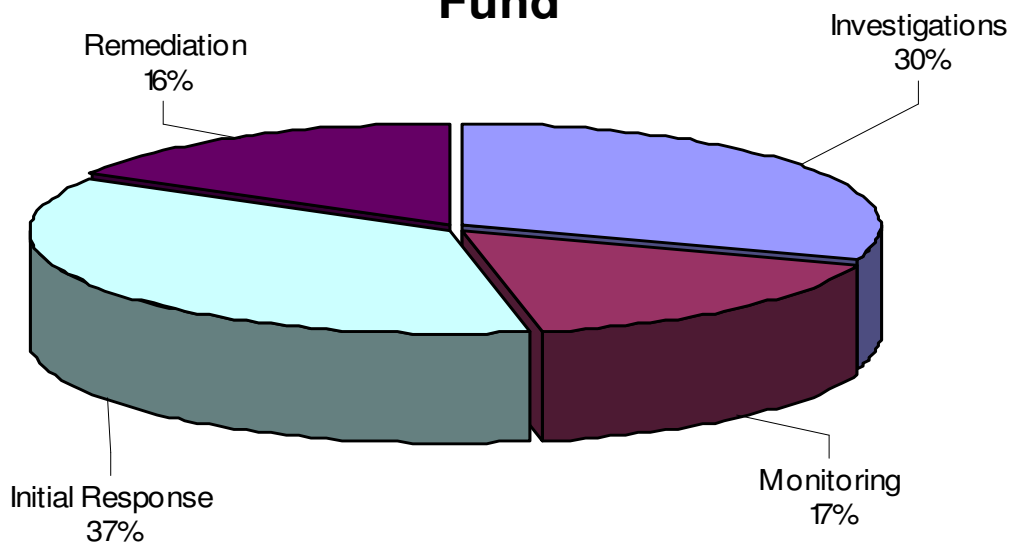


Figure 4 - Gasoline Remediation & Elimination of Ethers Fund

